

**REMARKS**

Claims 1-26 are amended. No claims are cancelled. Claims 27-30 are added. Hence, Claims 1-30 are pending.

I. RESTRICTION REQUIREMENT

The Examiner required restriction between Group I, claims 1-22 and claims 24-26, and Group II, claim 23. The Applicants elect Group I, claims 1-22 and 24-26, without traverse.

II. INFORMATION DISCLOSURE STATEMENT

Attached is a second copy of the references missing from the Information Disclosure Statement.

III. OBJECTIONS TO OATH AND DECLARATION

The Office Action objected to the declaration because it did not identify the mailing address of William Wright. An Application Data Sheet with William Wright's mailing address is submitted herewith. Applicants believe that the objection has been overcome.

IV. THE CLAIMS RECITE STATUTORY SUBJECT MATTER UNDER 35 U.S.C. §101

The Office Action rejected claims 1-22 and 22-24 under 35 U.S.C. §101 as being directed to non-statutory subject matter. The rejection is respectfully traversed.

A. CLAIMS 1-22 AND 25

The Office Action stated that the body of the claims must recite some form of technology. The Applicants disagree because no such requirement is found in the statute or the case law. However, to expedite prosecution, Claims 1-22 and 25 are amended to clarify that an apparatus performs each step, by adding the phrase "the apparatus" or "an apparatus" in each step. The Applicants believe that the amendments overcome the statutory subject matter issue. The Office Action also contended that steps of the method could be performed with pencil and

paper. Applicants disagree. However, to expedite prosecution, the phrase “transaction information” is amended herein to recite “transaction data,” to further clarify that the method steps involve manipulating data stored in an apparatus, and are not performed by a pencil and paper.

B. CLAIM 24

Claim 24 recites a computer readable medium carrying one or more sequences of instructions for evaluating fraud risk of an electronic commerce transaction, which instructions, when executed by one or more processors, cause the one or more processors to carry out certain recited steps. The Office Action states that the body of the claims must recite some form of technology, citing *Ex parte Bowman*, 61 USPQ2d 1669, 1671. However, *Bowman* is inapplicable to the present application and claims. In *Bowman*, the Board of Appeals and Interferences stated:

“Appellant has *carefully avoided tying the disclosed and claimed invention to any technological art or environment*. As noted by the examiner, the disclosed and claimed invention is directed to nothing more than a human making mental computations and manually plotting the results on a paper chart [answer, page 5]. The *Examination Guidelines for Computer-Related Inventions are not dispositive* of this case because *there is absolutely no indication on this record that the invention is connected to a computer in any manner...*”

*Id.*; emphasis added. In contrast to the present application and claims, in *Ex parte Bowman* the specification and claims failed to mention a computer or other machine anywhere. The Board held that the USPTO Examination Guidelines for Computer Related inventions were inapplicable to *Bowman*’s claims. Thus, *Bowman* is not relevant and does not give any guidance about how to apply the Examination Guidelines to the present case.

In the present application, the specification makes numerous references to implementing the invention by a computer, including a “Hardware Overview” on pages 44-48. Additionally, the claims all include at least some reference to a computer or apparatus. *Bowman* does not announce a rule that a recitation of a computer needs to be in the body of the claims. *Bowman* does not state or imply that a recitation in the preamble of a computer, apparatus, or computer readable medium is inadequate.

Additionally, the Board stated, “Appellant has carefully avoided tying the disclosed and claimed invention to any technological art *or environment*” (emphasis added). If the claims in *Bowman* had recited a technological environment, by reciting a computer or other apparatus in the preamble, the outcome would have been different. Thus, under the rationale of *Bowman*, the present claims must fall into the technological arts, because both the claims and the specification tie the claimed methods and apparatus to a computer.

Additionally, nothing in *Bowman* changes the policy reviewed in *In re Beauregard*, 35 USPQ2d 1383. The Office Action makes several statements regarding the policy of the USPTO, and rejects claim 24 as not constituting patentable subject matter based on such policy. However, in a matter as important as statutory interpretation for an entire class of inventions, an Office Action cannot properly rely on a USPTO policy that has not undergone the rigor of a USPTO rulemaking and is not embodied in 37 CFR or the statute. The alleged policy also conflicts with the case law. In particular, under *In re Beauregard* “The Commissioner now states ‘that computer programs embodied in a tangible medium, such as floppy diskettes, are patentable subject matter under 35 U.S.C. Section 101 and must be examined under 35 U.S.C. Sections 102 and 103.’” The Commissioner has not undertaken a rulemaking to change USPTO policy regarding claims directed to computer-readable media. Further, claim 10 of the issued

Beauregard patent (U.S. Pat. No. 5,710,578) recites a “program storage device readable by a machine” only in the preamble. New claim 32 recites computer memory in the body of the claim, and therefore also satisfies 35 U.S.C. §101.

C. CLAIM 26

The Office Action alleged that claim 26 did not satisfy 35 U.S.C. §101 because the instructions were not saved on a computer readable medium. The Applicants disagree. However, to expedite prosecution, Claim 26 is amended as suggested by the Office Action. The Applicants believe that any issue under 35 U.S.C. §101 is overcome.

V. ISSUES UNDER 35 U.S.C. §112, SECOND PARAGRAPH

A. CLAIMS 1, 9-12, AND 24-26

The Office Action stated that claims 1, 9-12, and 24-26 were allegedly indefinite because the terms “electronic commerce transaction”, “electronic commerce”, and “transaction” were used to mean the same thing. The Applicants disagree. However, to expedite prosecution, Claims 1, 9-12, and 24-26 are amended to consistently recite “electronic commerce transaction.” Applicants believe that any antecedent basis issues are overcome.

B. CLAIMS 3-6

The Office Action stated that claims 3-6 were allegedly indefinite because claims recited “an Internet identity” instead of “the Internet identity”. The Applicants disagree. However, to expedite prosecution, Claims 3-6 are amended to recite “the Internet identity.” Applicants believe that any antecedent basis issues are overcome.

C. CLAIMS 7 AND 8

The Office Action stated that claims 7 and 8 were allegedly indefinite because the term “determining a second fraud risk score” was recited instead of “determining the second fraud risk

score”. The Applicants disagree. However, to expedite prosecution, Claims 7 and 8 are amended to recite “determining the second fraud risk score.” Applicants believe that any antecedent basis issues are overcome.

D. CLAIM 8

The Office Action stated that “a specified large plurality of records” in claim 8 was allegedly vague and indefinite as a result of the word “large”. The Applicants disagree. However, to expedite prosecution, the word “large” is deleted. Applicants believe that any indefiniteness issue is overcome.

E. CLAIMS 12, 13, AND 22

The Office Action stated that the meaning of the phrase “unintelligible or meaningless” in claims 12, 13, and 22 was allegedly unclear. The Applicants disagree. However, to expedite the prosecution, Claims 12 and 13 are amended to remove the phrase “unintelligible or meaningless”, thereby removing any alleged indefiniteness associated with this phrase. Additionally, Claim 22 is amended to delete the phrase “unintelligible or meaningless”, thereby removing any alleged indefiniteness associated with this phrase.

F. CLAIMS 1, 12, 13, 15, 17, 22-27 AND 31

The Office Action stated that the meaning of the phrase “genuine” in claims 1, 12, 13, 15, 17, and 22-26 is allegedly vague and indefinite. The Applicants disagree. The Office Action does not explain why it is unclear what the Applicant means by the word “genuine.” The term should be construed using its plain meaning. The invention is in the field of fraud detection with respect to electronic commerce transactions. Detecting fraud generally means detecting that a transaction is not genuine. There can be no reasonable confusion on the part of the public or those skilled in the art with respect to the meaning of “genuine.”

In the English language, the word “genuine” is commonly used as a synonym for correct, valid, true, well grounded, or well grounded in truth, for example. The claims and specification discuss several types of invalid or non-genuine information. Some examples of such information are information that was not authorized by the owner of the information (e.g., as a result of identity theft) and information that does not correspond to a real person or corresponds to a real person, but some or all of the rest of the information associated with that person (e.g., the address, phone number, credit card number, or other information) is incorrect. Another example of such information is gibberish or meaningless information, for example a name that is a random sequence of letters and/or other symbols.

Further, the Office suggests that “some latitude in the manner of expression and the aptness of terms should be permitted even though the claim language is not as precise as the examiner might desire.” MPEP 2173.02. Similarly, “the requirement for clarity and precision must be balanced with the limitations of the language.” MPEP 2173.05(a). The metes and bounds of the term “genuine” within the context of this specification and claims are reasonably well defined, within the limitations of the English language, and therefore the claim term satisfies 35 U.S.C. §112, second paragraph.

G. CLAIMS 14 AND 15

The Office Action stated that claims 14 and 15 were allegedly indefinite because the manner of use of the phrases “a latitude value”, “range of latitude values”, “the latitude values”, “a longitude value”, “range of longitude values”, and “the longitude values”. The Applicants disagree. However, to expedite prosecution, Claims 14 and 15 are amended to recite the terms “latitude value”, “range of latitude values”, “longitude value”, and “range of longitude values” in

a consistent manner having proper antecedent basis. Applicants believe that the rejection is overcome.

The Office Action also stated that it was allegedly unclear what “true position” meant in claims 14 and 15. The Applicants disagree. However, to expedite prosecution, the word “true” is deleted from claims 14 and 15.

#### H. CLAIMS 18 AND 21

The Office Action rejected claims 18 and 26 because the phrase “too far” is allegedly indefinite. The Applicants disagree. However, to expedite the prosecution, the phrase “too far” is replaced with “greater than a specified relative distance”. Applicants believe that the rejection is overcome.

#### I. CLAIM 26

The Office Action rejected claim 26 as allegedly indefinite, because the preamble states that the claim is an apparatus and the majority of the claim language is “directed to method steps.” Amended Claim 26 recites:

An apparatus for evaluating fraud risk of an electronic commerce transaction, comprising:  
a processor;  
a computer readable medium having one or more stored sequences of instructions  
stored thereon which, when executed by the processor, cause the processor  
to carry out the steps of:

Thus, the claim clearly recites an apparatus having at least a processor and a computer readable medium that stores instructions. The claim characterizes the instructions stored on the computer readable medium by reciting the method steps that the instructions cause the processor to carry out when the instructions are executed by the processor. The language in claim 26 is clear that the method steps recited in the claim are steps performed by executing instructions that are stored on the computer readable medium.

Further, Office guidelines permit a claim of this form. "A claim to a device, apparatus, manufacture, or composition of matter may contain a reference to the process in which it is intended to be used without being objectionable under 35 U.S.C. 112, second paragraph, so long as it is clear that the claim is directed to the product and not the process." MPEP 2173.05(p). Thus, the recitation of method steps in an apparatus claim does not, per se, make the claim indefinite. Therefore, claim 26 is in compliance with 35 U.S.C. §112, second paragraph.

## VI. CONCLUSION

For the reasons set forth above, all pending claims are patentable over the art of record, including the art cited but not applied. Accordingly, allowance of all claims is respectfully requested.

No fee or extension fee is believed to be due. However, to the extent necessary, Applicants petition for an extension of time under 37 C.F.R. § 1.136. The Commissioner is authorized to charge any fee that may be due in relation to this application to our Deposit Account No. 50-1302.

The Examiner is respectfully requested to contact the undersigned by telephone if it is believed that such contact would further the examination of the present application.

Respectfully submitted,

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## **Application Data**

### **Application Information**

Application Number:: 09708124  
Filing Date:: 11/02/00  
Application Type:: Utility  
Subject Matter::  
Suggested Classification::  
Suggested Group Art Unit:: 3624  
CD-ROM or CD-R?:: None  
Computer Readable Form (CRF):: No  
Title:: METHOD AND APPARATUS FOR  
EVALUATING FRAUD RISK IN AN  
ELECTRONIC COMMERCE  
TRANSACTION  
Attorney Docket Number:: 53588-0027  
Request for Early Publication?:: No  
Request for Non-Publication?:: Yes  
Suggested Drawing Figure:: 14  
Total Drawing Sheets:: 14  
Small Entity:: No  
Petition included?:: No  
Secrecy Order in Parent Appl.?:: No

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**Foreign Priority Information**

Country::	Application Number::	Filing Date::	Priority Claimed::

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